

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1936 - HB 1962

February 12, 2018

SUMMARY OF BILL: Prohibits state funding from being expended to implement or enforce electronic logging device (ELD) regulations in this state.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures – \$608,200/Department of Safety

Other Fiscal Impact – Prohibiting state funding from being expended to implement ELD regulations in this state will put the state out of compliance with 49 C.F.R. Part 350 and will reduce federal funding in the amount of \$4,054,300 in FY18-19 and subsequent years.

Assumptions:

- An ELD is technology that automatically records a driver's driving time and other aspects of the hours-of-service (HOS) records. The ELD regulations apply to motor carriers and drivers who are required to keep records of duty service. Implementation of the ELD regulations does not affect the underlying HOS rules; it only changes how HOS data is captured.
- The ELD rule implementation timeline is as follows:
 - December 16, 2015: ELD final rule was published;
 - December 18, 2017: ELD final rule compliance date; motor carriers operating commercial motor vehicles were to install and require each of its drivers to use an ELD by this date; drivers and motor carriers using automatic onboard recorders are allowed to continue to use such recorders for an additional two years;
 - December 16, 2019: mandatory use of ELDs for all motor carriers and drivers who are required to keep records of duty service begins.
- According to the Department of Safety and Homeland Security (DOS), the DOS receives federal funding reimbursement of \$4,054,347 for enforcement of ELD regulations in the state. Such funding is used to fund the operation of the Highway Patrol Division to manage the enforcement of the program, specific enforcement efforts, and other operational expenses to support the program. A total of 14 positions in the

Division are funded by such money, as well as a portion of certain trooper positions in the scales locations across the state.

- In order to receive the federal reimbursement, the state is required to provide a match of 15 percent, or \$608,152, to be used in enforcement of ELD regulations in the state. Continuous enforcement of ELD regulations is required to receive the federal funding and be in compliance with federal regulations.
- Prohibiting the state from expending any state funding to enforce ELD regulations will put the state out of compliance with 49 C.F.R Part 350. As a result, 100 percent of the federal funding of \$4,054,347 will be reduced in FY18-19 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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